

Personal Business

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More American Retirees Seek Havens Abroad

By HILLARY CHURA

These days, some Americans heading for retirement are as concerned with pesos as pensions, and foreign language classes as Medicare. They are part of an emerging population expecting to spend their retirement abroad.

In January, baby boomers will start hitting 60 at a rate of more than four million a year. More mobile, active and adventuresome than prior generations, these 78 million Americans are rethinking retirement. Many will be lured overseas by a more affordable cost of living and temperate weather. Some will want to return to their native countries or to places where they once worked or studied.

Coreen Plewa and her husband, James, plan to move to Mexico in four years. They say they adore their home in Santa Fe, N.M., but will not be able to make ends meet once Mr. Plewa retires from teaching high

Relocaters are urged to study a country's stability and health care before moving.

school math. The Plewas and about 10 like-minded people have been meeting to discuss moves to Latin America.

"This is not like, 'I've got to get out of this hole,'" said Mrs. Plewa, who believes health care costs in the United States could eat up 40 percent of the couple's estimated \$4,000 to \$5,000 monthly retirement income. "We think our dime will go further."

In December, Mrs. Plewa, 60, a psychotherapist, and Mr. Plewa, 56, will return to Mexico to research where they might want to live. They have been four or five times already, and they are thinking of renting a home there. They have no children. The Plewas have dabbled on their own in Spanish for several years but began language classes a few weeks ago. They have done Internet research on sites like Mexconnect.com and are reading books, including "The Golden Door to Retirement and Living in Costa Rica" by Christopher Howard (Independent Pub Group, 1995) and "Choose Mexico for Re-

tirement" by John Howells and Don Merwin (Global Pequot, 2005).

"As you get older, you need more help with things, and you can get someone to come in and clean, do your yard work for a more reasonable price," Mrs. Plewa said. "People should not feel like it is an impossibility."

Though out-of-country retirement is not the norm, it is likely to become less of an anomaly, experts say. Many baby boomers have been relocating their entire careers. An estimated four million Americans live abroad, but there is no data on how many are retired, according to the State Department.

"It's tough for Americans on a fixed pension to stay put, so they're looking elsewhere," said Don Nisbet, a financial consultant in Ventura, Calif.

The number of Americans 55 and older is expected to grow from 67 million this year to 97 million by 2020. The demand for foreign homes is also expected to grow during that period. Pulte Homes, the company that built the Sun City retirement villages, is considering planned communities outside the United States, said Jim Zeumer, vice president for corporate communications. He said some retirees had expressed interest in having homes in the United States and abroad.

Mexico, Costa Rica and Panama are common retirement havens, but Nicaragua, Honduras, Ecuador and English-speaking Belize are making a push to attract retirees. Various countries in Europe are also viable alternatives, but current exchange rates make them less attractive for those with limited resources.

John Briley, senior managing editor for iJET Intelligent Risk Systems, which monitors security around the world, warned that retirees should consider issues like racism, police corruption, organized crime, drug trafficking and terrorism as well as strength of banks, financial institutions and governments before they pack up.

"Things will change over time, but look for stability of the government and the stability of the country," he said. "For anything you gain, you have to give up something."

Many American cities have seen tremendous real estate appreciation. But because home prices have risen more or less universally, pensioners may not be able to buy elsewhere in



Rick Scibelli for The New York Times

Coreen and James Plewa of Santa Fe, N.M., plan to move to Mexico in about four years, after Mr. Plewa retires.

the United States and live off their gains. There are relatively less expensive places to relocate in the United States, but they often lack the attractions and amenities that retirees crave. (Reverse mortgages are one alternative. They are a type of loan whereby homeowners, typically older ones, take equity out of their property without selling it. Heirs repay the loan when the owner dies or no longer lives in the home. But many elderly owners fear losing their homes and thus are unwilling to take the risk.)

With "the decline of the stock mar-

ket, the collapse of pension plans, real estate and housing are really where most people's wealth lies," said Daniel J. Kadlec, who wrote "The Power Years: A User's Guide to the Rest of Your Life" with Ken Dychtwald (Wiley, 2005), which discusses baby boomer retirement. "As real estate has gotten more expensive in the U.S., people are looking for that next great nirvana."

Tom and Nancy Mead, retired restaurateurs, moved to Costa Rica almost four years ago. After a lifetime of free spending, they had no pension other than their combined \$1,583 a

Before You Make the Leap

Retiring to an exotic locale sounds like a good plan, but many expatriates return home. They either miss the grandchildren and lifelong friends too much or find that culture shock was a bit, well, shocking. To increase the chances for success, follow this checklist:

First Contacts

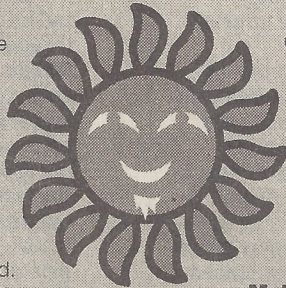
Verify your prospective country's stance on home purchases, taxes and residency, and the state of its safety and health care. Contact consulates, because information in books and on the Internet can be outdated. Remember that real estate agents and developers may have a vested interest in your relocation.

Social Compatibility

Be sure that you will be able to find the lifestyle you seek. Do you favor museums or nature walks? Do you crave solitude or a full social life (which could prove difficult where you do not speak the language)? Are you likely to become distressed when the phone service or electricity goes down, or can you handle occasional disruptions?

Online Research

Read local newspapers. Links to English-language sites are at www.world-newspapers.com. For advice about living in specific countries: www.internationalliving.com



Go There

Spend a lot of time in your desired location. Some specialists suggest moving there temporarily, perhaps for a year, so you can see if you like it year-round.

Make Friends

Contact the local expatriate community for answers to nuts-and-bolts questions like availability of domestic help, how to find a contractor, reliability of Internet service and the size of the tarantulas. Check on the ease of traveling back to the United States.

Health Care

Medicare is not available abroad, so verify that you are eligible for your new country's domestic health care program. Private insurance is available, but it is more expensive than government care.

Government Benefits

Have Social Security checks automatically deposited into your bank account.

month in Social Security and found they could not comfortably live in the United States. Now, auto insurance is \$100 a year, and utilities are next to nothing. At 69, Mr. Mead and his 72-year-old wife pay \$600 a year for Costa Rica's version of Medicare. Their two-bedroom, two-bath home cost \$42,500 cash. They pay a housekeeper \$5 to help them clean weekly.

"There was insurance and insurance on the car and medical costs, and we were getting older, and we couldn't afford it," he said.

Mr. Mead said his heavily accented Spanish and poor language skills had not impeded their making local friends.

Amy Morgan and her husband, Fred, moved to Costa Rica last year to run their reforestation project, Finca Leola. Though still working, the couple from Somerset, N.J., whose children no longer live at

home, set up the business for when they do retire. Mrs. Morgan is 52, her husband 46. She said they moved south for lifestyle reasons, and the hardest thing was leaving their children, who are in their 20's. She said they spoke to their daughter more frequently than when they were living in the United States, but the distance was trying. "You can learn to live without anything you used to have a taste for," she said. "But you really can't work around that."

The Morgans rent a five-bedroom, three-bathroom home with two living rooms, brick patios and several terraces down to the jungle for about \$285 a month. A live-in housekeeper helps with the business.

"We wanted to end up in Costa Rica and be retired in Costa Rica," she said, "but there was no reason for us to stay in the States until retirement."